GENESCO

ANNUAL REPORT - 1966

GENESCO INC.

111 7th AVENUE, N., NASHVILLE, TENNESSEE 37202
730 FIFTH AVENUE, NEW YORK, NEW YORK 10019

SUMMARY/Year Ended July 31, 1966

	1966	1965
Net sales	$759,619,343	$712,092,112
Net earnings after taxes	22,434,134	19,432,194
Working capital	203,730,693	202,601,456
Before stock split-up:		
Earnings per share	$4.21	$3.76
Average number of shares outstanding	5,100,806	4,857,486
After stock split-up:		
Earnings per share	$2.81	$2.51
Average number of shares outstanding	7,651,209	7,286,229

September 19, 1966

TO OUR STOCKHOLDERS:

Sales and earnings for our fiscal year, ended July 31, 1966, again set new records. This is the sixth consecutive year in which both our total volume and total earnings have shown increases. During the past five years our volume has grown approximately 85 per cent and our net earnings have more than doubled. Earnings per share of our common stock also have more than doubled in the past five years.

It is interesting to note that while we have grown in part by acquisitions during that period, our internal growth in pretax profits has been at the rate of 8.2 per cent compounded annually.

Our planning program calls for gradually increasing the percentage of profit margin to sales. We expect the current trend to continue and improve in this fiscal year. The increased profit margins result from the large capital investments we made in new facilities of many types, as well as from improvement in our management planning techniques to provide the proper balance among the various company operations. In addition, our management development program, in which we have put great efforts in the last few years has proved effective, as have the results of research in various areas of our business. We have been able to give better values to our customers, increase the earnings of our employees, as well as invest additional amounts in research. Prices are changed only in amounts sufficient to cover increased costs of materials, labor and taxes.

Our organization is dedicated to the apparel business. While we are diversified within the apparel field we specialize in this one area and its related accessories. This includes clothing, footwear, sportswear, underwear and various other types of things that people wear. In order to do an effective job in our field we manufacture some of the materials and components that go into our products and in some areas carry these products on through to the ultimate consumer at the retail level. Since apparel is distributed in various ways we adapt ourselves to the differing conditions we find in the industry, at the same time trying to lead in innovations and management techniques necessary to do an effective job on a large scale basis. In some cases we start with raw materials such as cotton, hides, crude rubber, or various synthetic fibers and produce materials which we later process into consumer products. In other cases our labor and management use textiles, leathers and raw materials produced by others. Our apparel plants manufacture, and we distribute, the finished products through 1600 of our own retail stores and through some 24,000 retail stores owned by others.

An analysis of our business on an estimated basis is shown here. It is based on the total volume of the corporation including intracompany transactions:

Type of Product:	*Volume*	*% of Total*
Clothing and other apparel	$427,000,000	51%
Footwear	321,000,000	39%
Material and components	83,000,000	10%
Functional:		
Manufacturing	$532,000,000	64%
Retailing	299,000,000	36%
Geographical:		
United States	$763,000,000	91%
Foreign	68,000,000	9%

Stockholders' Meeting

After the end of our fiscal year, a special stockholders' meeting on August 15 authorized a three-for-two split in our common stock, giving each of our stockholders 50% more shares than previously owned. These certificates will be distributed to shareholders in early September. At the time our Board of Directors called the special stockholders meeting they indicated their intention of raising the dividend rate by approximately 16%. On the basis of the new number of shares outstanding, the expected dividend rate is $1.40 a year.

During the past year, our Company made only one acquisition, Lee Beachwear Company of New Haven (Connecticut) manufacturers and distributors of popular-priced swimsuits for women. This company was acquired on a pooling-of-interests basis and has added approximately $7 million of sales and $700,000 of operating income before taxes. We feel that the business has excellent management and good prospects.

While not yet consummated, our Company has signed a contract to merge with the Roos/Atkins Company of San Francisco. This is scheduled to be effective about October 1. Roos/Atkins has approximately $35 million in sales and a profit after taxes of $1,350,000. The merger is on the basis of exchanging a special issue of our convertible preferred stock for all of the assets of Roos/Atkins. The excellent management of this company is expected to continue on the job and we feel that this gives us an important position in stores primarily concerned with the men's apparel field on the West Coast.

During the past fiscal year, our Company approached the directors of Julius Garfinckel & Co., Washington, D. C., on the possibility of working out a merger with them. The directors of Garfinckel, although owning only a relatively small part of the total outstanding stock, would not consider our offer, turning it down before it was presented to their stockholders. We felt that under the circumstances we were obligated to follow through directly to the Garfinckel stockholders. Since we were unable to obtain a stockholders list, we asked for tenders of Garfinckel stock through advertisements in newspapers. There

are approximately five thousand stockholders of that company, no one of whom owns as much as 2½ per cent of the total stock. Our Company now has acquired more than 10% of the total stock which we carry as an investment. We believe that recently there has been considerable improvement in the Garfinckel operations and we feel we have a sound investment for the future. We have not asked for representation on their Board of Directors although we are by far the largest stockholder.

Future Acquisitions

We feel that it is important for us to be in certain other fields in the apparel business, including children's clothes, women's dresses, men's shirts and other specialized areas in which we are either not represented or have an extremely minor position. We continue to look at various propositions that come to our attention from time to time, through various means of communications, including the press. We will keep you informed of any significant developments along these lines.

As we have informed you previously, in August 1965 the staff of the Securities and Exchange Commission began a review of various aspects of our corporation's operations in connection with the Company's employees stock purchase plans. The staff's review has been described previously in stockholder reports by the Company, as well as in a proxy statement mailed to all stockholders in connection with the special meeting held on August 15, 1966. Additional copies of these plans and the proxy statement are available on request.

The plans have been designed to encourage our employees to buy stock in our Company. We feel it is most desirable for them to have a stake in their Company. It makes them more interested in their work, improves morale generally, and adds strength and stability to our Company. Our plans had been approved by the shareholders, have been registered with the SEC, and have been reported in our official registration statements.

As the activities of our government expand and as our Company grows we find we are involved to an increasing degree with many of the administrative agencies in Washington. For this reason we established an office in Washington and placed a Vice President in charge, H. W. Brawley. Mr. Brawley was formerly Deputy Postmaster General and we feel he will be very useful in keeping us informed of developments in Washington so that we can maintain the right relationship with administrative agencies. In addition to the Securities & Exchange Commission, from time to time there are matters for discussion with the National Labor Relations Board, Federal Trade Commission, Department of Justice, Internal Revenue Service, Tariff Commission, Civil Rights groups, the Departments of Commerce and Labor, as well as various other bureaus and commissions.

Because our Company is widely scattered all over this country, as well as abroad, through our manufacturing operations and retail stores, and our customers, it is necessary for management to spend a great deal of time traveling. While the corporation has had some small planes for several years, we have felt it desirable to acquire the most modern and efficient transportation for our executives and have put into operation a four-engine JetStar, built by Lockheed. We maintain corporate offices in New York and Nashville and the necessities of our widespread business are such that rapid travel is an essential part of our operations.

Capital Investments

We have continued our program of strong capital investments for the enlargement and improved technology of our business, to have greater productivity, and to be able to serve our customers in a better way. Our fixed asset expenditures in the past year were ap-

W. Maxey Jarman, *Chairman*

Ben H. Willingham, *President*

Genesco's new offices in Washington, D.C. overlook government buildings and famous Washington Monument.

(Above) Headquarters building of GENESCO in Nashville at GENESCO Park. Also in GENESCO Park are GENSTAR, the Company's fully automated warehousing facility, the offices and plant of Johnston & Murphy, and a building now under construction which will house an ultra-modern knitting, dyeing and finishing plant to produce nylon tricot and other related fabrics for use in the Company's lingerie and foundation-wear manufacturing. The plant, as with all other buildings at GENESCO Park, will be the most modern in concept of production technology to assure GENESCO's continuing leadership in the apparel field. (Below) A drawing of the new Bonwit Teller store in the town of Eastchester (Westchester County), New York. The store will open in the Spring of 1967.

proximately $23 million, the financing of which was handled either through depreciation, retained profits, or by indirect financing. We have reviewed our schedules for the next two years on capital improvements and are deferring some projects that we would have undertaken in certain divisions of our Company. We feel that in keeping with the requests of the President of the United States we should restrict capital investments to those matters that are completely essential. Investments in foreign countries will be made only where previous commitments exist. We still feel we must schedule approximately $21 million, however, for this new fiscal year and again expect to handle this without additional public corporate financing. We have previous commitments which we are obligated to go ahead with in France, Italy and Canada. We are building a plant in Florence (Alabama) for the production of men's underwear, and a plant in Nashville for the production of tricot knit synthetic fabrics for use in our women's under apparel products. We have acquired an additional manufacturing facility in Temple (Texas) to expand our utility clothes operation. We have added a warehouse at Ridgefield (New Jersey) for the expansion of our women's and junior sportswear business. Our program of modernization of the Kress variety stores is continuing. In addition, we are opening new Kress stores on a regular basis. We will open a large, new Bonwit Teller store in Westchester (New York) next Spring.

Research Program

Our research program has made important forward steps in many parts of our operations as a result of studies during recent years. We are spending approximately $2 million annually in various forms of research and are enlarging the program continually. We are exploring, for instance, various methods of heat sealing, such as by radio frequency waves; the automated devel-

oping and cutting of patterns; the combining of electronics and optics to cut fabric as well as to cut leather; and reducing the handling costs of merchandise through automation. Our Systems Approach Method (SAM) is further mechanizing and automating different areas and our electronic data processing is proceeding full scale.

The seasonal planning program for our operating companies, which gives decentralized authority to each of the companies, at the same time maintaining centralized coordination of policies and financial controls, is going along excellently. We are extending this general program with individual executives through our MBR (Management by Results) method which sets up specific objectives for each major executive.

We are initiating a new program this year for the entire organization: Personal Achievement Recognition (PAR). This is aimed primarily to get every individual in our Company to realize the significance and importance of his job and to ask each of them to set up a certain number of specific objectives during the year. We find that our people are particularly interested in knowing the importance of their work and feeling the worthwhileness of what they are doing. The program is quite an extensive one and we feel will be successful.

We now have approximately fifty to fifty-five thousand employees, depending on the season of the year. We believe that we have an excellent group of people. Because of the military situation and full scale employment throughout the country it has been somewhat more difficult to secure people, but we are not operating shorthanded at any place. Our turnover, always lower than the industry as a whole, has gone up slightly but is still below industry figures reported by the Department of Commerce. We have had some minor labor difficulties, but generally speaking our labor relations have continued on a sound basis. There have been some unauthorized strikes at our plant at Iuka (Mississippi) and at Chapel Hill, Tennessee. We have continued to operate in both places. While we have harmonious relationships with unions in the approximately one-third of our organized plants, we feel more and more that the federal government is taking over the functions previously handled by unions: minimum wage rates, social security, sickness benefits, hospitalization, old age pensions, accident insurance, and various other matters.

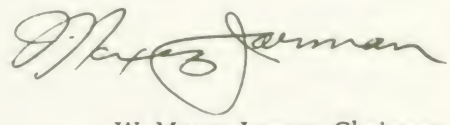
Military Business

Military business has been an important development in our Company during the past year and continues so. We are manufacturing jungle boots, and were the first to produce them after considerable research in conjunction with the federal government. We have had many compliments from the military on the use of these boots in South Vietnam. For some time we were the only manufacturer and continue to be the largest producer. In addition, we manufacture uniforms, utility clothes, and underwear for military personnel. These have produced some strain on our manufacturing facilities but we are undertaking it as called for by the military authorities and are prepared to handle whatever demands come our way. On July 31, 1966, the backlog of military orders for delivery in 1967 was approximately $18 million.

The apparel industry has continued to gain in an important way and we are very glad to see other large companies developing in the general field. The apparel industry will continue to be made up of many small manufacturers, but there now is a sizeable group of larger ones to provide leadership, technological developments, professional management techniques, and to give stability and further progress to the industry. It is an extremely competitive field, but one that is exciting, moves well and has a great potential.

We continue to put strong emphasis on the development of our younger people and through a system of planning for management replaceability believe that we have a depth in management that will give us great stability for the future. We are very proud of our organization and appreciate the marvelous efforts they have put forth to provide the extra good results that we've had during the past year and we expect to have in the years ahead.

Our seasonal plans for the next six months indicate continuing improvement and Fall orders have come in in a splendid way. Our unfilled orders are much higher than at this time a year ago, retail business continues to be satisfactory, and we are expecting good results during the months ahead. We have every reason to believe that the new fiscal year will be even more successful than the present one.



W. Maxey Jarman, Chairman

Ben H. Willingham, President

(Top row, left to right) A new Kress Variety Fair store in Midland Park (New Jersey), typical of the many new and remodeled stores which feature angled counters and many other innovations; Gidding-Jenny's store in Dayton (Ohio), rebuilt in the same style as the store burned in a fire; two new manufacturing plants (top) the new Flagg-Utica unit in Florence (Alabama) and the J. M. Wood plant manufacturing utility and work clothes in Waco, Texas.

(Bottom row, left hand page) Henri Bendel's new fur salon, a softly lit luxurious setting for the discriminating shopper in New York; modern machinery in Genesco's new shoe plant in Smithville (Tennessee).

GENESCO'S CONTINUING GROWTH

(Above) A new Roger Kent men's store in the Prudential Building, Boston; (left, top) interior of one of the fifteen Jarman men's shoe franchise stores in Canada; a new Elmore variety store in Alabama, featuring the most modern in window displays and fixtures.

A 105 millimeter howitzer crew of the 1st Battalion (Airborne) 321st Artillery. The men are members of the 101st Airborne Division's famed "Screaming Eagles." The combat boots as well as the other clothing have been manufactured by Genesco divisions. The men are at a simulated Vietnam village at Fort Campbell, Kentucky.

GENESCO AND VIETNAM

Two million pairs of utility and combat trousers from J. M. Wood; two and a half million pairs of shorts and one million knit T-shirts from Ainsbrooke; more than five million pairs of shorts, T-shirts and extreme cold weather underwear from Flagg-Utica; eighteen thousand Marine dress uniforms from Phoenix Clothes; and twenty thousand tropical worsted jackets from Greif—these are some of the apparel products manufactured during the past year by Genesco divisions for use by combat troops in Vietnam and in training in the United States.

In addition, in footwear, Genesco during the past year has delivered more than a million pairs of combat service boots, another million pairs of tropical boots, nearly a half-million pairs of men's dress shoes, as well as men's chukka boots, and women's service boots and dress shoes. Genesco plants in Huntsville (Alabama) and Tullahoma and Hohenwald (Tennessee) manufactured a total of about three million pairs of shoes and boots—and the work continues around the clock. It is estimated that Genesco's military contracts totaled forty million dollars during the fiscal year.

Dr. Stephen J. Kennedy, director of the Army's Clothing & Organic Materials Division, stated recently that "the boot is meeting with exceptional enthusiasm on the part of everyone over there. For the first time that the United States has gone to war, its troops have had a good boot in their hands at the time when war broke out. They meet the needs of the climate and terrain. From the standpoint of durability, this item of military footwear is way ahead of anything ever made. They wear twice as long."

Genesco was the first company to manufacture the boot, is now one of two, and still produces the greater percentage. Research and development of the combat boot was performed by Genesco in conjunction with the military.

(Left) Two of the twenty-nine Roos/Atkins stores. Four more are in the planning or building stage, to be opened during 1967 and 1968, while more than 20 other locations are being studied. Roos/Atkins selects its stores on the basis of studies of the growth in population and income of a particular area.

For swimming and sunning. A colorful two-piece bathing suit from an exciting collection by Lee Beachwear.

GENESCO ACQUISITIONS

During the fiscal year ended July 31, 1966, Genesco acquired the Lee Beachwear Corp., manufacturers of Robby Len Fashions and Lee Beachwear for women. Headquarters are in New York and its modern plant is in New Haven, Connecticut.

Stockholders of Roos/Atkins and Genesco voted during August, 1966, to merge, subject to an anticipated favorable tax ruling from the Internal Revenue Service. Roos/Atkins caters to a broad spectrum of customers on the Pacific Coast: men, women, teens, boys and girls through twenty-nine retail stores. Roos/Atkins has buying offices in New York and in 12 European countries and the Orient.

Roos/Atkins stores, all but one in California, are in San Francisco (3), San Rafael, Santa Rosa, San Mateo (2), Palo Alto, San Jose, Santa Clara, Oakland (2), Modesto, Stockton, Sacramento (3), Olympic Valley, Mountain View, Santa Barbara and in Reno, Nevada.

The acquisition of Roos/Atkins will be on a pooling-of-interests basis. Edward H. Gauer, Chairman of the Board, and other executives will remain in their present posts.

I. Miller projects the Total Look—shoes are an accessory to ready-to-wear and the shopper at any I. Miller store will be able to satisfy her needs in not only the finest of shoes, but bags, scarves, umbrellas, and scores of other items.

GENESCO AND FASHION

GENESCO divisions are leaders in all phases of women's and men's fashions. On these pages are only a few of these in the forefront.

Phoenix knows what's right in fashion. Plaids are back. Here's a good-looking two-button black and white Glen plaid suit. Phoenix is considered the style leader in the popular price field.

Upper right:
The pants suit is big fashion news this year and coordinates from Kelita add up to a smart, young pants suit for juniors. A double-breasted pea jacket is shown with matching stove pipe pants.

Upper left:
A figure skimming silhouette with kimono sleeves and contrast banding creates an important fashion look, by Emery Knits for juniors.

Lower right:
The emphasis is on sheer femininity with soft fluid lines in this at-home culotte fashion from the new AWOL (A World of Leisure) collection by Majestic Specialties.

Lower left:
From Formfit/Rogers the "Darling Look" for "Bed and Breakfast." Soft and feminine little shift with lace and matching peignoir banded with lace.

The Rogue always looks finely tailored, even when the rain comes: WeatheRogue's exciting new single breasted trench coat. It is designed from the finest wear-tested fabrics and treated with the most durable repellent available.

THE EXECUTIVE LADDER

The Board of Governors of Genesco is its top executive group. Represented on it are the men whose actions keep the Company in its dominant position in the apparel field—the men who make Genesco grow and keep ahead of competition. In all large companies there is a continuing problem of finding young executives who are qualified to move up on the executive ladder. At Genesco there are several "proving grounds."

One of the first major steps is to be appointed to one of three Councils—Manufacturing Development, Wholesale Development and Retail Development. The next step on the executive ladder is the Advisory Board. From time to time, outstanding Advisory Board members join the Board of Governors

The three Councils are designed to act not only as a proving ground, but as a workshop for a group of carefully selected younger executives whose further development is desirable. The work of the Councils is to thoroughly analyze, research, and submit recommendations on projects assigned to them by the Company's Executive Committee. Their Council reports are used to assist in measuring the development of its members. Reports must contain good ideas that have been realistically developed and evaluated from the standpoint of costs, the organization structure, whether they fit into the corporation, and finally, how they will contribute to Genesco's profits.

Reports must contain definite recommendations with plans for implementation that will not require additional work on the part of others. Completed reports are submitted to experienced executives in the operating companies for review before they are then submitted to either the Central Manufacturing Coordination Group, the Central Marketing Group, or the Central Retail Coordination Group, respectively, for review, evaluation and implementation.

Each group is limited to twelve members and each member can serve for three successive one-year terms. The Manufacturing and Wholesale Councils meet in August, November, February and May, while the Retail Council meets in July, October, January and April. A representative of the Manpower Department is designated by the Central Executive Officer to serve on the various Councils in the capacity of an advisor.

The Genesco Advisory Board, in turn, consists of not more than twenty-five executives from all areas of the Company. Its primary objective is to find out what needs particular attention in our business, to discuss these things, and then call them to the attention of the Executive Committee with recommendations for appropriate action.

The purposes of the Advisory Board basically are threefold: first, to secure the thinking of a group of executives on fundamental matters concerning Genesco's business; second, to provide a means of communication from this executive level between various individuals and departments of the business to help them get a better understanding of the problems and plans of these departments; third, to serve as a means of training and development of the individuals themselves. The group meets six times a year—in January, March, May, July, September and November in various cities throughout the country where Genesco has major plants and stores.

The Genesco Advisory Board discusses suggestions from the three Genesco Councils: Manufacturing Development, Retail Development and Wholesale Development. The Board meets six times a year in different cities in which Genesco has either major plants or stores.

In late Spring the Advisory Board met in Baltimore and toured the offices and plants of Baltimore Clothes (English-American Tailoring Co., L. Greif & Bro., Seaboard Manufacturing and WeatheRogue Inc.). David L. Greif, II, President, shows some of the Board members various fabrics to be used in Greif's men's clothes.

Ben H. Willingham, Genesco's President, (left) talks to the Advisory Board at a meeting in Nashville. (Below) Sam A. Buchanan, the Outer Apparel Group's Group Executive, talks before the Board at their Baltimore meeting.

Some members of the Retail Development Council. The three Councils are designed to act as a proving ground and a workshop for younger executives.

A group from the Manufacturing Development Council discuss a controversial point. The Councils analyze, research and submit recommendations on projects assigned to them by the Company's Executive Committee.

Some of the Wholesale Development Council members listen with interest to recommendations from a fellow member. Council reports are used to assist in measuring the development of its members.

A representative of Genesco's Manpower Department sits in on an advisory basis on each of the three Councils. (From left to right) J. V. (Buck) Hindman, Director of Employee Relations; William Grant, a Manpower management trainee; and George Collins, Director of Manpower, discuss the merits of a Council proposal.

Duke J. Rose, Vice President-Marketing, talks to a group from the Advisory Board.

The new Washington (D.C.) office is the subject of an Advisory Board meeting. H. W. Brawley, Genesco's Vice President-National and International Relations, is second from left.

CORPORATE OFFICERS

Chairman
W. Maxey Jarman
President
Ben H. Willingham
Executive Vice President and Chairman, Executive Committee
William M. Blackie
Executive Vice President
M. S. Wigginton
Group Vice Presidents
Sam A. Buchanan
H. Nelson Carmichael
Frank J. Culhane
William S. Flanagan
W. Gregory Quick
E. DeVaughn Woods
Financial Vice President
F. M. Jarman
Vice President and Secretary
James P. Saunders
Vice Presidents–Distribution
J. Stewart Bronaugh
Candler W. Butler, Jr.
Charles W. Cook
Houghton D. Vaughn
Vice President–Retail Coordination
William H. Cope
Vice President–Retail Distribution
J. Owen Howell, Jr.
Vice President–Marketing
Duke J. Rose
Vice President–National and International Relations
H. W. Brawley
Vice President–Financial Analysis and Research
Leonard K. Guiler
Treasurer
J. G. DeLacey
Auditor
Stuart Carlisle
Assistant Vice Presidents
James H. Cheek, Jr.
Fred Lang
George Q. Langstaff, Jr.
Edward M. McGinley
Maurice E. Miller
William C. O'Connor
L. B. Shelton
Assistant Treasurers
Ernest B. Holt, Jr.
T. Douglas Oxford
Assistant Secretaries
John A. Ball
Rodes Ennis
Robert C. Hilton

BOARD OF GOVERNORS

William M. Blackie
H. W. Brawley
Sam A. Buchanan
Candler W. Butler, Jr.
H. Nelson Carmichael
James H. Cheek, Jr.
Charles W. Cook
George C. Collins
William H. Cope
Frank J. Culhane
Mildred Custin
M. E. Eisenberg
William S. Flanagan
Joel Glassman
Edward W. Graham, Jr.
David L. Greif, II
Leonard K. Guiler
J. Owen Howell, Jr.
F. M. Jarman
W. Maxey Jarman
Louis P. Johnson
H. Stephan Klausner
Emery E. Klineman
Erwin L. Klineman
Sigmund W. Kunstadter
George Q. Langstaff, Jr.
Alexander Lerner
Joe B. Long
Kirk Low
C. Wilbon Marlin
Marion Markus
Maurice E. Miller
Stanley W. Nussbaum
W. Gregory Quick
Bernard E. Reed
Duke J. Rose
James P. Saunders
Houghton D. Vaughn
M. S. Wigginton
Ben H. Willingham
J. Carroll Wood
E. DeVaughn Woods

CORPORATE DIRECTORS

William M. Blackie
Sam A. Buchanan
Candler W. Butler, Jr.
H. Nelson Carmichael
Charles W. Cook
William S. Flanagan
Edward W. Graham, Jr.
J. Owen Howell, Jr.
F. M. Jarman
W. Maxey Jarman
Sigmund W. Kunstadter
W. Gregory Quick
Bernard E. Reed
James P. Saunders
Houghton D. Vaughn
M. S. Wigginton
Ben H. Willingham
E. DeVaughn Woods

EXECUTIVE COMMITTEE

William M. Blackie, *Chairman*
Sam A. Buchanan
H. Nelson Carmichael
William Flanagan
J. Owen Howell, Jr.
F. M. Jarman
W. Maxey Jarman
W. Gregory Quick
James P. Saunders
M. S. Wigginton
Ben H. Willingham
E. DeVaughn Woods

FINANCE COMMITTEE

W. Maxey Jarman, *Chairman*
William M. Blackie
Leonard K. Guiler
J. Owen Howell, Jr.
F. M. Jarman
Duke J. Rose
M. S. Wigginton
Ben H. Willingham
E. DeVaughn Woods

OPERATING COMMITTEE

Ben H. Willingham, *Chairman*
William M. Blackie
Sam A. Buchanan
H. Nelson Carmichael
Frank J. Culhane
William S. Flanagan
J. Owen Howell, Jr.
F. M. Jarman
W. Gregory Quick
M. S. Wigginton
E. DeVaughn Woods

BOARD OF TRUSTEES, GENESCO EMPLOYEES' RETIREMENT FUND

H. Nelson Carmichael
Noble C. Caudill
J. Harlan Lawson
William H. Wemyss, Sr.
Ben H. Willingham

GENESCO INC. AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

July 31, 1966 with comparative figures for 1965

ASSETS	1966	1965
Current Assets:		
Cash	$ 40,966,145	$ 37,346,265
Receivables, less allowance for doubtful accounts and discounts	66,475,415	61,546,771
Inventories, at lower of approximate average cost or market (note 2)	146,472,845	137,656,103
Prepaid expenses	2,075,481	1,783,505
Total Current Assets	255,989,886	238,332,644
Officers' and employees' stock purchase accounts, secured	377,253	318,012
Nonconsolidated and 50% owned companies (note 1)	6,578,520	5,629,285
Other investments, at cost	7,456,020	1,922,287
Plant, equipment, and leasehold improvements, at cost less accumulated depreciation and amortization $64,589,547	47,298,351	45,033,834
Patents and trademarks	1	1
Debt discount and other deferred charges, less amortization	5,269,044	3,108,714
	$322,969,075	$294,344,777

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses, including current installments on long-term debt	$ 44,733,193	$ 33,570,188
Federal, State and Canadian income taxes (less in 1965 U. S. government securities held for payment of taxes $4,963,347)	7,526,000	2,161,000
Total Current Liabilities	52,259,193	35,731,188
Deferred Federal income taxes (note 3)	4,438,000	4,386,000
Long-term debt (note 4)	62,386,000	69,274,000
Minority interests	6,540,622	7,598,902
Deferred credits to income (note 5)	27,166,916	28,237,183
Stockholders' Equity (notes 1, 6, 8, and 10(a)):		
$4.50 cumulative convertible preferred stock of $100 stated value per share. Authorized 202,693 shares; outstanding 202,244 shares	20,224,400	23,990,700
Common stock of $1 par value per share: 1966–authorized 20,000,000 shares; outstanding 7,901,613; 1965–authorized 10,000,000 shares; outstanding 4,931,060	7,901,613	4,931,060
Additional paid-in capital	60,806,320	51,311,474
Earnings retained in business	81,246,011	68,884,270
Total Stockholders' Equity	170,178,344	149,117,504
	$322,969,075	$294,344,777

See accompanying notes to consolidated financial statements.

Note: The consolidated financial statements have been adjusted to reflect the three for two common stock split-up authorized by the stockholders on August 15, 1966.

CONSOLIDATED EARNINGS	1966	1965
Net sales, including sales of leased departments	$759,619,343	$712,092,112
Cost of sales	522,919,102	491,958,495
Selling, administrative and general expenses	192,386,304	182,637,256
Interest expense, net ($3,379,202 on long-term debt)	5,719,262	4,996,140
Other (income), net (note 5)	(1,490,322)	(1,129,261)
	719,534,346	678,462,630
Earnings before income taxes	40,084,997	33,629,482
Federal, State and Canadian income taxes (note 3)	17,165,000	13,775,000
	22,919,997	19,854,482
Less minority interests	485,863	422,288
Net Earnings for Year	$ 22,434,134	$ 19,432,194
CONSOLIDATED EARNINGS RETAINED IN BUSINESS		
Balance at beginning of year:		
GENESCO Inc. and consolidated subsidiaries	$ 68,884,270	$ 56,834,218
Companies accounted for as a pooling of interests (note 1)	—	1,935,482
	68,884,270	58,769,700
Net earnings for year	22,434,134	19,432,194
	91,318,404	78,201,894
Deductions:		
Dividends:		
Preferred stock	964,823	1,176,143
Common stock–$1.20 per share in 1966; $1.13 in 1965	9,107,570	7,804,066
Pooled companies prior to pooling of interests	—	337,415
	10,072,393	9,317,624
Balance at end of year	$ 81,246,011	$ 68,884,270
CONSOLIDATED ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	$ 51,311,474	$ 47,317,617
Increase resulting from:		
Sales price or fair market in excess of par value of common shares issued	2,758,509	37,621
Stated value of preferred stock or principal amount of notes converted, in excess of the par value of common shares issued in exchange	9,370,208	3,775,207
Capital of pooled companies in excess of the par value of GENESCO Inc. stock issued in exchange	—	181,029
	63,440,191	51,311,474
Less par value of common shares issued in three for two stock split-up	2,633,871	—
Balance at end of year	$ 60,806,320	$ 51,311,474

See accompanying notes to consolidated financial statements.

GENESCO Inc. and Consolidated Subsidiaries
CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

	1966	1965
Source of funds:		
Net earnings	$ 22,434,134	$ 19,432,194
Depreciation and amortization	5,416,056	6,067,175
Amortization of deferred charges and increase in deferred taxes	683,925	414,949
Credits to earnings not providing funds	(2,409,503)	(1,967,382)
Funds derived from operations	26,124,612	23,946,936
Proceeds from sale of common stock	2,849,099	48,128
Gains on sale of properties deferred to future years	1,037,429	1,243,649
	$ 30,011,140	$ 25,238,713
Use of funds:		
Dividends paid, including dividends paid by pooled companies	$ 10,072,393	$ 9,317,624
Long-term debt paid or charged against working capital	1,038,000	1,038,000
Decrease in minority interests	1,058,280	63,843
Other changes in nonconsolidated and 50% owned companies and deferred credits to income	647,428	1,151,771
Increase in other investments	5,533,733	174,887
Fixed asset purchases, net of sales	7,680,573	3,941,631
Increase in deferred charges and other assets	2,851,496	525,557
Increase in working capital	1,129,237	9,025,400
	$ 30,011,140	$ 25,238,713
Summary of Working Capital:		
Current assets at end of the year	$255,989,886	$238,332,644
Less current liabilities at end of the year	52,259,193	35,731,188
Working capital at end of the year	203,730,693	202,601,456
Working capital at beginning of the year	202,601,456	193,576,056
Increase in working capital during the year	$ 1,129,237	$ 9,025,400

GENESCO Inc. and Consolidated Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
July 31, 1966

(1) Principles of Accounting:

All subsidiaries are consolidated except certain foreign subsidiaries and those engaged in unrelated operations, all of which plus the 50% owned companies are carried at equity value, based on unaudited statements, with the income during the year reflected in other income. These companies, in the aggregate, are not considered significant.

During 1966, the company issued 124,627 shares of common stock for all of the outstanding capital stock of Teen Age Beachwear Corp. (Lee Beachwear) and related companies on a pooling of interests basis. Accordingly, the accounts of these companies are included in the consolidated financial statements for each of the years 1966 and 1965.

The accompanying financial statements, including the per share amounts of cash dividends on common stock, reflect the stock split-up described in note 10(a) below.

(2) Inventories:

Inventories are classified as follows:

	1966	1965
Finished products	$107,193,264	$104,621,962
Work in process and raw materials	39,279,581	33,034,141
	$146,472,845	$137,656,103

(3) Depreciation and Related Deferred Taxes:

For Federal income tax purposes, the company computes depreciation on certain assets by accelerated methods, whereas earnings have been charged with depreciation calculated on the straight-line method ($5,416,056 including amortization). To equalize the effect of these methods on net earnings, the 1966 provision for Federal income taxes has been charged with $52,029 and a like amount has been credited to deferred income taxes. The provision for taxes is after deducting the investment credit for the current year of $529,468.

(4) Long-Term Debt:

The long-term debt, including amounts due currently, is as follows:

	Current	Non-current
5.25% notes dated February 1961, due 1981 with annual payments of $938,000	$ 938,000	$17,186,000
4.75% convertible subordinated notes dated July 1962, due 1982 with annual payments beginning 1973; convertible into common stock at not more than $25.67 per share (see note 6)	–	3,950,000
5.00% notes dated July 1964, due 1984 with annual payments of $2,000,000 beginning 1970	–	40,000,000
5.50% notes of J. M. Wood Manufacturing Company, Inc. dated November 1963, due 1978 with semi-annual payments of $50,000 (guaranteed by parent)	100,000	1,250,000
	$1,038,000	$62,386,000

(5) Deferred Credits to Income:

The following amounts will be taken into income or used to absorb certain losses over a period of years:

Deferred income credits	$19,226,210
Unamortized net excess of equity in companies acquired over cost, not specifically allocated and reserve for lease commitments on closed stores	7,940,706
	$27,166,916

Deferred income credits represent profits after taxes including $1,037,429 in 1966, from sales of real properties and equipment which were leased back. The deferred amounts are being amortized over the lives of the respective leases. Amortization in the current year amounted to $959,446.

The unamortized net excess of equity over cost, not specifically allocated and reserve for lease commitments arose principally from the Kress acquisition in 1963. The excess of adjusted cost over net equity of nonconsolidated subsidiaries and 50% owned companies, mostly represented by goodwill, is also reflected in this account. Credits and charges to this account are being amortized over a ten year period which resulted in a net credit to other income of $922,625 for the year. Losses which may arise from the closing of Kress stores will be applied against the unamortized balance.

(6) Stockholders' Equity:

The various note agreements restrict stockholders' equity except as to approximately $74,000,000.

Common stock is reserved for issuance in connection with the following transactions:

	Number of shares
Options issued by acquired companies	14,163
Contingent upon earnings of certain pooled companies expiring at various dates to 1969	235,665
Conversion of 4.75% convertible subordinated notes at not more than $25.67 per share	153,876
Conversion of $4.50 cumulative convertible preferred stock. Convertible at $26.67 per share and callable at $104.50 to January 31, 1968 with successive reductions to $101.50 after January 31, 1978	758,320
	1,162,024

In addition 1,056,522 shares are reserved under certain employee stock option plans and 105,285 shares are available under employee stock purchase plans (see note 8).

(7) Pension Plans:

The employees' retirement plans contemplate that the company and subsidiaries shall make contributions to trusts in order to pay annuities to most regular employees after retirement. All contributions to the company's retirement funds shall be made by the company as it, from time to time, shall determine but is under no obligation to make any contributions at any time.

The current costs of the company's pension plans, approximately $1,200,000 ($1,000,000 in 1965) after deducting asset appreciation and increases in deferred property rights, all based on computations by independent actuaries, plus contributions to profit sharing and other employee contractual welfare plans amounted to approximately $3,800,000 and provision has been made in the accounts for this amount. Unfunded past service costs at July 31, 1966, inclusive of increment due to additional participants from certain acquired companies, were estimated at $12,200,000.

(8) Employee Stock Plans:

Under the company's restricted executive stock option plan adopted in 1958, options were granted to certain employees in 1958 and 1960 to purchase shares of common stock at not less than 85% of market value at date of grant.

Under the savings fund-employee stock purchase plans adopted in 1963 and 1964, employees were granted options to purchase common stock, which are currently being offered to employees at 85% of the average market price with designated minimum and maximum prices. These options may be exercised on the last business day of August, two years subsequent to the dates offered.

Following is a summary of the changes in these plans during the year:

	Restricted Executive Stock Option Plan	Savings Fund-Employee Stock Purchase Plan	Total
Options outstanding at August 1, 1965	26,604	249,957	276,561
Options granted	—	166,987	166,987
	26,604	416,944	443,548
Less:			
Options exercised	12,258	96,551	108,809
Options terminated	1,494	53,140	54,634
	13,752	149,691	163,443
Options outstanding at July 31, 1966	12,852	267,253	280,105
Shares reserved for future options	—	776,417	776,417(a)
Total shares reserved	12,852	1,043,670	1,056,522
Option price range	$12.89–18.70	$16.67–29.89	

(a) 955,965 at July 31, 1965

In addition the company has other plans whereby employees under certain conditions may purchase stock on the installment basis at the prevailing market price. Under these plans 207,150 shares and 105,285 shares, which may be issued from authorized but unissued stock, were available for employee purchases at July 31, 1965 and July 31, 1966, respectively. It has been the company's practice to purchase such shares on the open market and it is its present intention to continue to do so.

(9) Commitments and Contingent Liabilities:

(a) Long-term Leases:

Minimum annual rentals, exclusive of specifically identified operating costs, under leases in effect at July 31, 1966 with expiration dates as indicated are summarized as follows:

1966–1971	$10,550,267
1972–1976	4,500,281
1977–1981	4,353,761
1982–1986	3,541,813
1987–1991	6,766,105
After 1991	314,183
	$30,026,410

(b) Merchandise in Transit:

At July 31, 1966 the company had in transit merchandise aggregating approximately $3,000,000 which is not reflected in the accompanying financial statements.

(c) Legal Matters:

Certain stockholders of S. H. Kress and Company, approximately 95% of the outstanding stock of which is owned by the company, have instituted actions against the company, Kress and certain directors of both companies. The complaints allege that S. H. Kress and Company was damaged as a result of the sale and lease-back of certain of its properties. It is the opinion of counsel and company officials that the actions will be successfully defended. In addition the company is the defendant or plaintiff in other actions which in the opinion of counsel and company officials will be successfully resolved and would not affect materially the financial position of the company in the event of adverse decisions.

(10) Post Balance Sheet Events:

(a) Special Stockholders' Meeting:

At a special meeting held on August 15, 1966 the stockholders of the company approved an amendment to the Certificate of Incorporation which (i) increased the number of authorized shares of common stock from 10,000,000 shares to 20,000,000 shares; (ii) changed each issued and outstanding share of common stock into one and one-half shares of common stock, with no change in par value; (iii) eliminated from the authorized capitalization of the company 73,936 authorized but unissued shares of $4.50 cumulative convertible preferred stock; and (iv) authorized the issuance of not more than 800,000 shares of subordinated cumulative convertible preference stock, without nominal or par value, to be issued in not more than four series, no series to exceed 400,000 shares and adopted a special resolution authorizing the Board of Directors of the company to fix the distinguishing characteristics of each series prior to issuance.

(b) Acquisition of Roos/Atkins

The company has agreed to acquire the net assets of Roos/Atkins, a California corporation, engaged in the retail sale of clothing and sporting goods. The company is to issue at the closing 138,774 shares of its common stock and 114,905 shares of a new Series A subordinated preference stock which carries an annual dividend of $4.25 per share and is convertible into three shares of common stock for each preference share, all on a deferred basis. At the close of its latest fiscal year, January 31, 1966, Roos/Atkins had total assets of $18,934,539 and net worth of $4,846,515. The net sales and net earnings of the company for the year ended January 31, 1966 were $35,443,283 and $1,254,679, and for 1965 were $31,052,252 and $863,888. The stockholders of Roos/Atkins approved the transaction at a special meeting held on August 22, 1966.

Accountants' Report

The Board of Directors and
Stockholders
GENESCO Inc.:

We have examined the consolidated balance sheet of GENESCO Inc. and consolidated subsidiaries as of July 31, 1966 and the related statements of earnings, earnings retained in business and additional paid-in capital and the statement of source and use of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated earnings, earnings retained in business and additional paid-in capital present fairly the financial position of GENESCO Inc. and consolidated subsidiaries at July 31, 1966 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the accompanying statement of source and use of funds for the year ended July 31, 1966 presents fairly the information shown therein.

Peat, Marwick, Mitchell & Co.

Nashville, Tennessee
August 31, 1966

25-YEAR RECORD OF GROWTH/Reflects Three-for-Two Stock Split-up Effective August 22, 1966

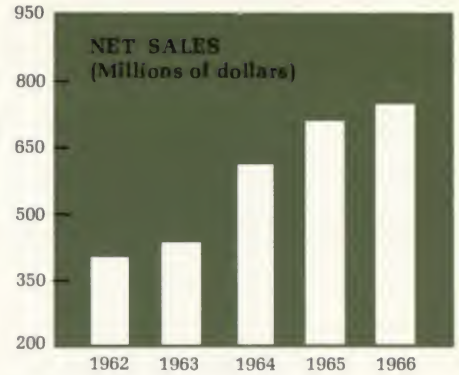
	Total Volume of Business	Net Sales less Inter-Branch Business	Depreciation and Amortization (including lasts, dies and patterns)	Earnings Before Taxes and Minority Share of Earnings	Income Taxes	Net Earnings	Number Stock-holders	Average Shares Common Stock Outstanding	Earnings Per Common Share	Total Taxes Per Common Share
1966	$831,309,271	$759,619,343	$7,813,915	$40,084,977	$17,165,000	$22,434,134	30,200	7,651,209	$2.81	$4.39
1965	767,203,392	712,092,112	8,213,905	33,629,482	13,775,000	19,432,194	29,000	7,286,229	2.51	3.99
1964	666,557,666	620,457,020	8,038,626	25,511,160	10,972,000	14,234,625	27,900	7,126,413	1.81	3.47
1963	479,385,000	435,147,364	5,886,808	16,505,445	7,319,000	9,129,001	24,000	6,423,843	1.27	2.55
1962	446,101,162	401,864,854	5,268,204	15,466,311	7,173,000	8,171,116	18,100	5,865,824	1.30	2.59
1961*	374,636,540	333,496,394	4,991,835	13,855,336	5,752,000	8,000,714	16,378	5,609,839	1.35	2.23
1960**	345,506,546	305,137,014	4,276,932	13,289,114	6,703,000	6,342,184	16,286	4,901,408	1.17	2.55
1959	318,994,324	276,422,417	4,341,495	17,157,487	8,223,000	8,688,077	11,476	4,531,171	1.78	2.91
1958	252,513,050	218,118,015	3,937,764	9,817,852	4,628,000	5,007,715	9,610	3,722,268	1.17	2.33
1957	260,491,846	223,266,996	3,608,252	11,255,066	5,345,000	5,542,450	9,056	3,712,891	1.31	2.51
1956	230,647,014	195,159,136	2,984,454	10,717,200	5,138,000	5,451,875	8,192	3,623,101	1.42	2.23
1955	201,300,993	167,863,881	2,764,615	10,038,135	4,776,000	5,262,135	5,760	3,222,587	1.54	2.26
1954	177,460,810	150,074,016	2,715,266	9,112,052	4,332,000	4,780,052	5,774	3,188,895	1.41	2.07
1953	137,337,975	111,179,210	1,703,984	8,050,829	4,485,000	3,565,829	5,561	2,353,532	1.43	2.45
1952	129,184,661	104,285,545	1,630,415	6,597,503	3,257,000	3,340,503	5,798	2,297,723	1.37	1.99
1951	128,284,627	103,238,890	1,470,105	6,524,939	2,954,000	3,570,939	5,837	2,249,631	1.50	1.87
1950	105,314,604	84,441,016	1,253,112	6,273,715	2,377,000	3,896,715	5,693	2,200,010	1.68	1.53
1949	96,066,589	77,694,162	1,016,788	3,937,379	1,521,000	2,416,379	4,380	2,106,905	1.05	1.09
1948	99,580,268	78,682,562	1,146,767	4,184,451	1,544,689	2,639,762	4,201	2,114,933	1.15	1.12
1947	97,248,511	78,142,458	883,900	4,504,292	1,937,792	2,566,500	3,982	2,139,772	1.11	1.30
1946	75,367,861	61,133,798	547,675	4,962,495	2,207,123	2,755,372	3,696	2,119,534	1.25	1.37
1945	61,122,583	51,177,677	401,921	4,284,949	3,174,200	1,110,749	3,364	1,879,026	.57	2.01
1944	53,474,786	44,716,808	348,333	4,010,061	3,002,650	1,007,411	3,254	1,858,539	.51	1.89
1943	48,990,794	40,886,381	308,735	4,165,836	2,936,700	1,229,136	3,207	1,887,987	.63	1.84
1942	39,949,226	33,738,749	561,695	3,171,773	2,148,400	1,023,373	2,857	1,855,979	.53	1.38

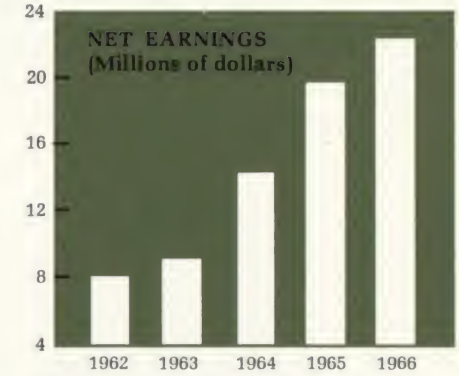
**Fiscal year changed to end July 31st.*

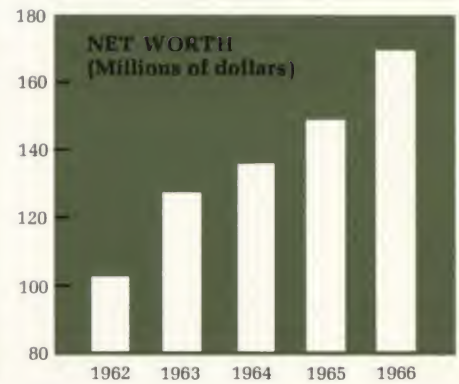
***Fiscal year (1942 to 1960, inc.) ended October 31st.*

****Fiscal year, previous years' range was calendar year.*

Dividends Per Common Share	Cash Flow Per Common Share	Book Value Per Common Share	Year's Price Range Per Common Share	Long-Term Debt	Working Capital	Net Worth
$1.20	$3.42	$18.98	$41¼-$28⅜	$62,386,000	$203,730,693	$170,178,344
1.13	3.30	16.92	36 - 26½	69,274,000	202,601,456	149,117,504
1.07	4.03	15.31	27¼- 22⅝	70,512,000	191,635,528	136,554,400
1.07	2.27	14.61	25½- 22⅜	47,779,959	145,222,480	127,766,842
1.07	2.36	14.92	28¼- 22⅜	54,572,000	127,930,284	103,492,285
1.07	2.23	15.23	26¼- 17⅛***	40,789,000	113,888,645	98,617,656
1.02	2.01	14.80	27¼- 20⅜	29,384,000	95,320,592	95,858,951
1.00	2.73	13.38	27¼- 18	27,625,000	84,803,414	75,831,613
1.00	2.32	12.67	18⅛- 13½	28,000,000	75,359,884	62,841,115
1.00	2.36	12.44	18⅛- 14⅛	28,000,000	72,989,053	62,740,519
.96	2.32	12.15	22⅛- 16⅜	24,300,000	66,863,972	61,806,667
.83	2.39	11.14	21¼- 16⅝	20,000,000	51,849,003	43,097,524
.83	2.24	10.43	17⅛- 13⅜	12,100,000	43,300,509	41,049,121
.83	2.13	10.20	17 - 13⅝	9,800,000	30,895,640	29,125,853
.83	2.08	9.71	13⅜- 12⅛	10,000,000	29,301,515	27,140,887
.83	2.15	9.04	13⅛- 11⅜	10,000,000	29,109,450	25,243,208
.83	2.25	8.27	13¼- 10⅛	7,472,048	25,232,873	23,233,487
.83	1.35	7.09	10⅛- 8	7,472,048	22,718,934	20,155,651
.83	1.41	6.87	10½- 8⅜	7,472,048	22,733,292	19,749,974
.83	1.26	6.54	12⅜- 8⅝	—	16,002,686	19,225,654
.53	1.38	6.25	15⅝- 9⅝	—	16,413,681	18,692,768
.33	.67	4.72	10⅜- 6⅜	5,000,000	12,877,819	9,382,976
.33	.61	4.49	6⅝- 4⅞	2,200,000	9,496,769	8,939,322
.33	.74	4.32	5⅛- 3⅜	2,350,000	9,681,569	8,618,858
.33	.79	4.02	3⅜- 2¾	2,500,000	9,405,049	8,054,660







E. DeVaughn Woods
28 years

Mildred Custin
8 years

Bertram E. Fishel
19 years

Geraldine Stutz
12 years

Richard C. Joseph
7 years

Bruce C. Allbright
17 years

Nicholas Parker
6 years

Edward Rayne
19 years

Helen Van Slyke
6 years

STANDARD RETAILING GROUP

E. DeVaughn Woods, Group Director
Fred Lang, Executive Assistant

BONWIT TELLER COMPANY
Mildred Custin, *President*
Women's fine specialty apparel stores in New York, Chicago, Cleveland, Boston, Philadelphia, Palm Beach, Manhasset (L. I.), Short Hills (N. J.), Oak Brook (Ill.), Jenkintown and Wynnewood (Pa.) White Plains (N. Y.) and in Spring, 1967, Westchester (N. Y.).

GIDDING-JENNY, INC.
Bertram E. Fishel, *Chairman*
Outstanding specialty stores for women in Cincinnati and Dayton, Ohio.

HENRI BENDEL, INC.
Geraldine Stutz, *President*
Outstanding specialty store for women on New York's fashionable 57th Street.

HOUSE OF FRAGRANCE
Helen Van Slyke, *President*
Distributors of fine perfumes and cosmetics.

I. MILLER & SONS, INC.
Richard C. Joseph, *President*
Women's top quality fashion shoe salons in New York and other major cities. Principal lines are I. Miller, Evins, Ingenue and Millerkins. I. Miller shoes also are sold in outstanding stores throughout the country.

INTERSTATE SHOE CO.
Bruce C. Allbright, *President*
Family shoe stores and leased shoe departments from coast to coast. Blue Ridge Shoe Company; Innes, shoe stores in the Los Angeles area; Sommer & Kaufmann, shoe stores in the San Francisco area.

R.A.M.—RETAIL APPAREL FOR MEN
Nicholas Parker, *President*
Men's clothing stores:
Frank Bros.-Fenn-Feinstein, Whitehouse & Hardy, Mallernee's, in New York and other major cities.

Donald Buttaro, *Vice President*
Roger Kent men's clothing stores in Eastern cities.

RAYNE-DELMAN SHOE COMPANY (Affiliated)
Edward Rayne, *President*
Delman—top quality women's fashion shoes. Salons in New York and other cities; design studios in New York, London and Paris.

Sam A. Buchanan
31 years

Maurice E. Miller
18 years

David L. Greif II
17 years

Erwin L. Klineman
38 years

J. Carroll Wood
32 years

Alexander Lerner
21 years

Abraham J. Baum
20 years

OUTER APPAREL GROUP

Sam A. Buchanan, Group Director
Maurice E. Miller, Associate Group Director

ASSOCIATED SPORTSWEAR
Erwin L. Klineman, *President*
Manufacturer and distributor of sportswear for women.

Majestic Specialties Company,
Sheppard Zinovoy, *Vice President and Sales Manager*

Kelita Sportswear Company,
Edgar Schlossberg, *President*

Madiera and Emery Knits Ltd.,
Marvin Kent, *President*

Ridgefield Manufacturing,
Sol Grossman, *President*

BALTIMORE CLOTHES
David L. Greif, II, *President*

L. Greif & Bro. Distributor of men's clothes in the higher and medium price ranges.

Seaboard Manufacturing Company,
Ted S. Decker, *Vice President*
Operates men's clothing manufacturing plants in Virginia, Maryland and Pennsylvania.

English-American Tailoring Co.,
Mark J. Sloman, *President*
Specializing in individualized, made-to-order men's clothes.

WeatheRogue Inc.
Victor Semos, *President*
Specializes in rainwear for men and boys.

J. M. WOOD MFG. CO., INC.
J. Carroll Wood, *President*
Manufacturer of utility and casual clothes for men.

MAJOR BLOUSE COMPANY
Abraham J. Baum, *President*
National manufacturer and distributor of women's blouses.

PHOENIX, INC.
Alexander Lerner, *President*
Manufacturer and distributor of medium-priced men's clothes.

H. Nelson Carmichael
30 years

George Q. Langstaff, Jr.
18 years

Joel Glassman
10 years

John A. Ball
35 years

J. William Fite
18 years

Edward W. Graham, Jr.
20 years

James H. Cheek, Jr.
20 years

Bernard E. Reed
42 years

C. Wilbon Marlin
35 years

Charles W. Cook
35 years

William W. Earthman
18 years

Houghton D. Vaughn
36 years

John M. Settle
10 years

Dallas J. Jones
28 years

T. Douglas Oxford
38 years

GESCO GROUP

H. Nelson Carmichael,
Group Executive

GESCO SALES COORDINATION
George Q. Langstaff, Jr., *Director*

PRODUCT DEVELOPMENT AND TREND DESIGN
Joel Glassman, *Director*

MATERIAL DEVELOPMENT
Dallas J. Jones, *Director*

DISTRIBUTION STAFF
John A. Ball, *Director*

GESCO ACCOUNTS RECEIVABLE
T. Douglas Oxford, *Manager*

BROADWAY SHOE COMPANY
J. William Fite, *President*

Cedar Crest Shoe Company
Harry G. Clark, *President*
Men's and boys' service, dress and special purpose shoes and boots.

Douglas Shoe Company
Howard Johnson, *President*
Men's and boys' dress and service shoes.

Fortune Shoe Company
Charles E. Horton, *President*
Shoes for the young man.

Hillwood Shoe Company
W. Thomas Bowers, *President*
Men's and boys' popular priced shoes.

GESCO MANUFACTURING
James H. Cheek, Jr., *President*

Eastern Shoe Manufacturing,
J. DeWitt Smith, *Division Manager*
Plants in Pennsylvania and New England.

Pyramid Shoe Manufacturing Company,
Bernard E. Reed, *President*
Plants in Southern states, manufacturing women's and children's shoes.

Triangle Shoe Manufacturing Company,
C. Wilbon Marlin, *President*
Plants in Southern states, manufacturing men's and boys' shoes.

IMPERIAL SHOE COMPANY
William W. Earthman, *President*
David Graves, *Vice President*

Bellwood Shoemakers
William C. Cook, *President*
Women's shoes for independent retailers and department stores.

Carlisle Shoe Company
Warren C. Kolkebeck, *President*
Women's quality fashion shoes under nationally advertised *Mademoiselle* label.

Charm Step Shoe Company
Robert L. Richter, *President*
Women's popular priced shoes.

Cover Girl Shoe Company
H. C. Christiansen, *President*
Contemporary shoes for young women.

Mannequin Shoe Company
Philip G. Shank, *President*
Medium priced women's fashion shoes.

Valentine Shoe Company
Sidney A. Smith, *President*
Classically styled shoes for women.

Youngtimer Shoe Company
Ernest Fetner, *President*
Children's shoes.

JARMAN SHOE COMPANY
Edward W. Graham, Jr., *President,*
Nationally advertised men's dress shoes.

Jarman Retail Company,
Wesley R. Thompson, *Vice President*
Men's retail shoe stores and leased departments.

JOHNSTON & MURPHY SHOE COMPANY
John M. Settle, *President*
Fine quality J & M and Frank Bros. shoes for men.

Murphy Retail Company
James A. McCann, *President*
Operates departments featuring J&M shoes.

REPUBLIC SHOE COMPANY
Charles W. Cook, *President*
Wholesale shoe distributors servicing private label volume accounts.

ZENITH SHOE COMPANY
Houghton D. Vaughn, *President*

Dominion Shoe Company,
John W. Bracewell, *President*
Howard D. Baldridge, *Vice President*
Wholesale shoe distributor servicing private label volume accounts.

Kleven Shoe Company, Inc.,
Henry Solar, *Vice President*
Women's private brand fashion shoes.

Sentry Shoe Company,
William Lyle Hammond, *President*
Wholesale shoe distributor servicing private label volume accounts.

William M. Blackie
38 years

J. Owen Howell, Jr.
19 years

Louis P. Johnson
33 years

Marion Markus
1 year

Joe B. Long
28 years

Raymond N. Hales
31 years

B. J. Butner
19 years

Stanley W. Nussbaum
34 years

UNIFIED (CHAIN) RETAILING GROUP

William M. Blackie, Group Director

NATIONWIDE SHOE COMPANY
J. Owen Howell, Jr., *President*

Flagg Bros.
Edward C. Jones, *Vice President*
Shoe stores featuring footwear particularly designed for young men.

Holiday-Wise
Ray G. Manning, *Vice President*
Shoe stores selling medium-priced women's fashion shoes.

HARDY SHOE STORES
Joe B. Long, *President*
Popular-priced, high-value men's retail shoe stores.

SUPERIOR SHOE COMPANY
Marion Markus, *President*

Bell Brothers, Inc.
B. J. Butner, *President,*
Popular-priced family shoe stores for men, women and children.

Berland Shoe Company-Allen Stores
Stanley W. Nussbaum, *President*
Women's popular-priced retail shoe stores and departments.

S. H. KRESS AND COMPANY
Louis P. Johnson, *President*
Variety store chain in the East, South, Southeast, Southwest and on the Pacific Coast.

V. J. ELMORE
Raymond N. Hales, *Executive Vice President*
Variety store chain, primarily in the South.

UNIVERSAL GROUP

W. Gregory Quick, Group Director

CONLECO
Walter E. Steele, *President*
Leather tanning, shoe components, manufacturing.

Valmore Leather Co.
Erwin Booth, *President*

Southern Sole Co.
J. V. Nipp, *President*

Whitehall Leather Co.
Ernest Stein, *General Manager*

GALATEX FABRIC COMPANY
Marcus C. McCreary, *President*
Knitting, dyeing and finishing of synthetic fabrics, tricot, power net, circular knit and double knit dress fabrics, cotton yarn spinning, and fabric sales.

Kingsboro Textile Company
W. A. Goody, *President*

MANSCO
G. Warren Gregory, *President*
Adhesives, finishes and containers.

General Adhesive and Chemical Co.
Capitol Products
V. J. Johnson, Jr., *President*

W. Gregory Quick
17 years

Marcus C. McCreary
12 years

Walter E. Steele
16 years

G. Warren Gregory
27 years

M. S. Wigginton
23 years

William S. Flanagan
17 years

M. E. Eisenberg
24 years

Candler W. Butler, Jr.
26 years

R. Joseph Robinson
17 years

Morton Flamberg
16 years

David Aronow
34 years

UNDER APPAREL GROUP

M. S. Wigginton, Group Director
William S. Flanagan,
Associate Group Director

MAYFAIR FURNISHINGS
M. E. Eisenberg, *Chairman and President*

Ainsbrooke Corp.
Irving Flamberg, *Chairman*
Morton Flamberg, *President*
Manufacturer of men's and boys' underwear, pajamas and dress shirts.

Flagg-Utica Company
R. Joseph Robinson, *President*
Manufacturer of fabrics, yarns, underwear and outerwear.

INTIMCO
Candler W. Butler, Jr., *President*
Manufacturers and distributors of intimate apparel.

Formfit/Rogers
J. Stewart Bronaugh, *Executive Vice President*
Sales of women's foundation garments and lingerie.

HILLSBROOK COMPANY
John Gifford, *President*
Manufacturers and distributors of popular-priced women's and girls' lingerie.

LEE BEACHWEAR COMPANY
David Aronow, *President*
Louis Brumberger, *Executive Vice President*
Manufacturers and distributors of popular-priced women's swimwear.

TRANSNATIONAL GROUP

Frank J. Culhane, Group Director

CANADA
Dan Gregory, *Canadian Area Director*

Agnew-Surpass Shoe Stores, Ltd.,
Keith R. Gillelan, *President*
Coast-to-coast chain of family shoe stores.

J. A. Johnston Company,
Gwynne Johnston, *Chairman of the Board*
Manufacturers and retailers of shoes for men and women.

EUROPE
H. Stephan Klausner, *Director, French Footwear*
France Arno
Retail shoe stores.

Clarence Cobbs, *Director, Affiliated Companies*
Confezioni San Remo, s.p.a. (Affiliated),
Sergio Comunello, *Managing Director,*
Manufacturer of men's and boys' ready-to-wear clothes.

Formfit–France, Sweden, Italy, England

LATIN AMERICA
Operations in Peru, Chile, Venezuela, Mexico, Guatemala, other nations.

LEXIM
Francis W. Parker, *Managing Director,*
Licensing, export, import.

PACIFIC
Manufacturing and wholesale operations in Japan, Australia, other countries.

Frank J. Culhane
11 years

Dan Gregory
21 years

Keith R. Gillelan
45 years

Gwynne Johnston
47 years

H. Stephan Klausner
17 years

Sergio Comunello
7 years

Francis W. Parker
19 years

Clarence Cobbs
20 years

F. M. Jarman
9 years

Leonard K. Guiler
23 years

J. P. Saunders
35 years

L. B. Shelton
10 years

J. G. DeLacey
15 years

Stuart Carlisle
14 years

Edward M. McGinley
5 years

William C. O'Connor
10 years

George C. Collins
32 years

Kirk H. Low
19 years

John W. Kunstadter
15 years

Earl L. Britain
36 years

Rodes Ennis
9 years

Ernest B. Holt, Jr.
19 years

William F. Long
16 years

Robert C. Hilton
6 years

Duke J. Rose
16 years

William H. Cope
3 years

H. W. Brawley
1 year

Bill R. Wills
2 years

CENTRAL FUNCTIONAL GROUPS

CENTRAL FINANCE, MANPOWER, MANUFACTURING COORDINATION

F. M. Jarman,
Financial Vice President

Leonard K. Guiler,
Vice President,
Financial Analysis and Research

J. G. DeLacey,
Treasurer

Stuart Carlisle,
Auditor

George C. Collins ,
Director of Manpower

Kirk H. Low,
Director, Central Manufacturing Coordination

Rodes Ennis,
Assistant Secretary

Ernest B. Holt, Jr.,
Assistant Treasurer

Robert C. Hilton,
Assistant Secretary

CENTRAL CORPORATE SERVICES

J. P. Saunders,
Vice President and Secretary

Edward M. McGinley,
Assistant Vice President

L. B. Shelton,
Assistant Vice President

William C. O'Connor,
Assistant Vice President

John W. Kunstadter,
Director of Research and Development

C. A. Thompson,
Administrative Assistant

William F. Long,
Insurance Manager

Earl L. Britain,
Director of Real Estate

Charles B. Sanders
Director of Management Engineering

S. R. Gorin,
Director of Technical Services

George E. Stone, Jr.,
Director of Building Services

E. E. Wager,
Director of Traffic

CENTRAL MARKETING

M. S. Wigginton, *Executive Director*
Duke J. Rose, *Associate Director*

RETAIL COORDINATION

William H. Cope, *Vice President*

ORGANIZATION DEVELOPMENT

H. W. Brawley,
Vice President, National
and International Relations
Bill R. Wills, *Director of Public Relations*

CORPORATE OFFICES

111 Second Avenue, N.
Nashville, Tennessee 37202

Genesco Building
730 Fifth Avenue
New York, N. Y. 10019

1730 Pennsylvania Avenue, N.W.
Washington, D. C. 20006

Annual meeting of stockholders
December 5, 1966

TRANSFER AGENTS

Common stock and Preferred stock
Morgan Guaranty Trust Company
New York, N. Y.

First American National Bank
Nashville, Tennessee

REGISTRARS

Common stock and Preferred stock
Chemical Bank New York Trust Company
New York, N. Y.

First National Bank in Nashville
Nashville, Tennessee